

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 0915Z 292346Z

60

ACTION EB-06

INFO OCT-01 AF-04 ARA-06 EUR-08 ISO-00 SP-02 AID-05 NSC-05

RSC-01 CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-01

H-01 CIAE-00 COME-00 FRB-01 INR-05 NSAE-00 XMB-02

OPIC-03 LAB-01 SIL-01 INT-05 GSA-01 TAR-01 PA-01

PRS-01 USIA-06 /087 W

----- 030178

R 292256Z OCT 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 2520

AMEMBASSY KINSHASA

AMEMBASSY LUSAKA

AMEMBASSY PARIS

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE 9152

E.O. 11652: N/A

TAGS: EMIN, CG, CI, PE, ZA

SUBJECT: CIPEC MEETING OPENS IN LIMA

REF: STATE 235833, LIMA 9012

1. IN OCTOBER 28 INTERVIEW WITH OFFICIALS OF THE INTERNATIONAL ORGANIZING COMMITTEE FOR THE UPCOMING WORLD MINING CONGRESS (LIMA, NOVEMBER 3-9), PRESIDENT JUAN VELASCO STRESSED THAT, AS A FIRST STEP, COPPER PRODUCING COUNTRIES MUST UNITE IN A COMMON FRONT TO DEFEND INTERNATIONAL COPPER PRICES AND THEN WORK TO ESTABLISH CONDITIONS WHICH WOULD PERMIT THEM TO PLAY A "MORE ACTIVE ROLE" IN FIXING COPPER PRICES. VELASCO MADE REFERENCE TO THE EXAMPLE THE ARAB COUNTRIES HAVE GIVEN TO THE WORLD SINCE OPEC COUNTRIES NOW CAN DETERMINE PRICES "IN HARMONY WITH THE NATIONAL INTERESTS OF PRODUCERS AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 0915Z 292346Z

CONSUMERS" (SIC). VELASCO ALSO NOTED THAT, IN LINE

WITH ITS THIRD WORLD POSITION, PERU HAD FOUGHT AND WOULD CONTINUE TO FIGHT FOR A CHANGE IN THE SITUATION WHERE LDCS HAVE NO SAY IN AFFAIRS WHICH CONCERN THEIR FUTURE. IN REGARD TO THE SPECIFIC PROBLEM OF COPPER PRICES, THE PRESIDENT SAID THAT ALL RELEVANT FACTORS SHOULD BE STUDIED BY THE CIPEC STATES AND THAT THESE FACTORS INCLUDE MORE THAN THE RECENT SALE OF COPPER STOCKS WHICH DROPPED COPPER PRICES.

2. IN SIMILAR IF LESS EMPHATIC VEIN, DAVID BALLON, PERUVIAN DIRECTOR GENERAL OF MINES AND PERU'S CHIEF REPRESENTATIVE TO CURRENT CIPEC MEETINGS (SEE LIMA 9012), CONFIRMED PUBLICLY THAT THE CIPEC REPRESENTATIVE MEETING HERE WILL STUDY THIS PROBLEM AND UNDERTAKE TO FORMULATE A JOINT ACTION PROGRAM. BALLON THEN EXPLAINED THAT CIPEC TRADE COMMITTEE WHICH IS NOW MEETING (OCTOBER 28-29) WILL PASS ON ITS RECOMMENDATIONS FOR THE ESTABLISHMENT OF A STRATEGIC POLICY TO DEFEND COPPER PRICES TO THE CIPEC BOARD OF DIRECTORS MEETING (OCTOBER 30-31). THE BOARD OF DIRECTORS WILL ALSO CONSIDER THE QUESTION OF NEW MEMBERS. DECISIONS FROM THESE MEETINGS WOULD THEN BE REVIEWED AT A FURTHER MEETING OF CIPEC AT THE MINISTERIAL LEVEL "WITHIN THE SHORTEST POSSIBLE TIME" DUE TO THE URGENT NATURE OF THE PROBLEM OF THE FALL IN COPPER PRICES.

3. COMMENT: VELASCO'S COMMENTS REFLECT THE STANDARD PERUVIAN POSITION THAT COPPER (AND OTHER PRIMARY COM-MODITY) PRICES ARE UNJUSTLY DETERMINED BY CONSUMER COUNTRIES AND THAT, THEREFORE, COORDINATED ACTION BY PRODUCERS IS NECESSARY TO ALLOW LDC PRODUCERS TO OBTAIN STABLE AND "MORE EQUITABLE" PRICES. VELASCO WAS, HOWEVER, CAREFUL NOT TO PREDICT ANY CONCRETE ACTION ON THE PART OF CIPEC MEMBERS AT THIS TIME, BUT RATHER COUCHED HIS STATEMENTS IN TERMS OF VAGUE GENERALITIES. THE PRESIDENT'S REMARKS, IT IS SAFE TO ASSUME, MAY WELL BE INDICATIVE OF THE KIND OF RHETORIC WE CAN EXPECT FROM OTHER PERUVIAN SPOKESMEN AT THE WORLD MINING CONGRESS NEXT WEEK. BOTH VELASCO'S AND BALLON'S STATEMENTS EMPHASIZE LEVEL OF CONCERN THAT PERU FEELS DUE TO PRICE DROP, AND IT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LIMA 09152 292346Z

UNDOUBTEDLY IS TRUE THAT CIPEC MEMBERS ATTENDING THIS MEETING, AS STATE 235833 NOTES, WILL STUDY HOW TO AVOID FURTHER OVERSUPPLY. PUBLIC STATEMENTS TO DATE DURING THIS WEEK DO NOT PRESAGE THE EMERGENCE OF ANY CONCRETE ACTION PROGRAM AT THIS TIME, ALTHOUGH THE PERUVIANS APPEAR TO BE PUTTING THEIR BEST "THIRD WORLD" FACE ON IN PUBLIC.
DEAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, MEETINGS, PRICES, WORLD MINING CONGRESS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA09152
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740309-0045
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741010/aaaaaiiy.tel
Line Count: 115
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 235833, LIMA 9012
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAY 2002 by boyleja>; APPROVED <12 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIPEC MEETING OPENS IN LIMA
TAGS: EMIN, CG, CI, PE, ZA, CIPEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005